

FEDERAL DEPOSIT INSURANCE CORPORATION

Selected Fund Financial Indicators

- BIF Reserve Ratio is 1.36 percent as of December 31, 1999
- SAIF Reserve Ratio is 1.45 percent as of December 31, 1999



Executive Management Report

Financial Results (unaudited)

For the twelve months ending December 31, 1999

Executive Summary

For the Twelve Months Ending December 31, 1999

Insurance Funds:

- In order to assess exposure to the Insurance Funds from Year 2000 potential failures, FDIC evaluated all information relevant to such an assessment, including Year 2000 on-site examination results, institution capital levels and supervisory examination composite ratings, and other institution past and current financial characteristics. As a result of this assessment, no institutions were identified that would likely fail and cause loss to the Insurance Funds as of December 31, 1999.

Furthermore, no institutions have failed due to Year 2000 related problems as of the issuance date of this report.

- The contingent liability for anticipated failures of insured BIF and SAIF institutions at \$307 million and \$56 million respectively, reflects the stable condition of the bank and thrift industries. In addition to these recorded estimated losses, the FDIC has recently identified a small number of additional BIF-insured financial institutions that are likely to fail in the near future unless institution management can resolve existing problems. If these institutions fail, they may collectively cause a material loss to the BIF, but the amount of potential loss is not estimable at this time. As a result, no loss has been reflected in the BIF's year-end financial results.

Bank Insurance Fund (BIF):

- Comprehensive income (net income plus current period unrealized gains/losses on available-for-sale securities) is negative \$198 million for the twelve months ending December 31, 1999. The fund balance is \$29.4 billion, down from \$29.6 billion at year-end 1998. This is the first year-end loss reported since 1991.
- Revenue totaled \$1.8 billion for the twelve months ending December 31, 1999. The fund earned \$1.7 billion in interest on investments in U.S. Treasury obligations and \$33 million in deposit insurance assessments.
- Receivables from bank resolutions are \$743 million at December 31, 1999. This receivable peaked at \$27.8 billion in 1992 due to the large number of bank failures occurring at that time.

- One BIF-insured institution failed during the month of December. Total assets at failure were \$88.3 million.
- Seven BIF-insured institutions failed during calendar year 1999. Total assets at failure were \$1.4 billion. Three BIF-insured institutions failed during calendar year 1998, with assets at failure of \$370 million.

Savings Association Insurance Fund (SAIF):

- Comprehensive income was \$441 million for the twelve months ending December 31, 1999, increasing the fund balance to \$10.3 billion.
- Revenue totaled \$601 million for the twelve months ending December 31, 1999. The fund earned \$586 million in interest on U.S. Treasury obligations and \$15 million in deposit insurance assessments.
- The Deposit Insurance Funds Act of 1996 required the establishment of a Special Reserve of the SAIF if, on January 1, 1999, the reserve ratio exceeded the Designated Reserve Ratio (DRR) of 1.25 percent. The reserve ratio of 1.39 percent exceeded the DRR by 0.14 percent on January 1, 1999. As a result, \$978 million was placed in a Special Reserve of the SAIF to be administered by the FDIC. On November 12, 1999, President Clinton signed the Gramm-Leach-Bliley Act of 1999, which eliminated the SAIF Special Reserve upon enactment. Accordingly, the SAIF financial statements no longer include a Special Reserve fund balance segregation.
- One SAIF-insured institution failed during calendar year 1999. Total assets at failure were \$63 million. This was the first SAIF-insured institution to fail since August 1996.

Executive Summary

For the Twelve Months Ending December 31, 1999

FSLIC Resolution Fund (FRF):

~FRF-FSLIC~

- The U.S. Department of Treasury (U.S. Treasury) has determined that the FRF is responsible for the payment of judgments and settlements in most supervisory goodwill litigation cases against the U.S. Government.

- Future goodwill litigation payments cannot be reasonably estimated at this time.

Several goodwill litigation cases are currently on appeal, the final outcome of which is uncertain. Funds to cover goodwill settlements are provided by an open-ended appropriation as provided by section 110 of the Department of Justice Appropriations Act, 2000. Because of this, any liabilities for the goodwill litigation should have no material impact on the financial condition of the FRF-FSLIC. If an appropriation to the FRF-FSLIC was not available to pay the goodwill litigation judgments and settlements, these liabilities would be material and could adversely affect the financial condition of the fund.

- In addition to payments for goodwill settlements, the FRF is responsible for reimbursing the U.S. Department of Justice for its goodwill litigation expenses.
- The FRF-FSLIC received \$110 million in tax benefits sharing during 1999. Tax benefits are derived by an acquiring institution's utilization of a failing institution's net operating losses, credit carry forwards, and other benefits. FDIC receives cash from the acquiring institution for a percentage of the tax benefits used.
- Assets in liquidation totaled \$42 million as of December 31, 1999, down by \$63 million over the last 12 months.

~FRF-RTC~

- The RTC Completion Act requires the FDIC to return to the U.S. Treasury any funds that were transferred to the RTC pursuant to the RTC Completion Act but not needed by the RTC. The RTC Completion Act made available approximately \$18 billion worth of additional

funding, of which \$4.556 billion was used. The act mandates that the FDIC must transfer to the Resolution Funding Corporation (REFCORP) the net proceeds from the sale of FRF-RTC assets (once all liabilities of the FRF-RTC have been provided for) to pay the interest on REFCORP bonds. Any such payments benefit the U.S. Treasury, which would otherwise be obligated to pay the interest on the bonds.

On July 27, 1999, the FDIC Board of Directors granted authority to the Director of the Division of Finance, or his designee, to: 1) repay the U. S. Treasury \$4.556 billion in appropriations made to the RTC pursuant to the RTC Completion Act; and 2) after the U. S. Treasury has been paid, to pay the REFCORP any additional excess cash until such time as the FRF-RTC is dissolved upon satisfaction of all debts and liabilities and sale of all assets.

\$4.165 billion has been repaid to the U.S. Treasury through December 1999, pursuant to the RTC Completion Act. The FRF-RTC cash balance is \$655 million at December 31, 1999.

- Assets in liquidation totaled \$467 million as of December 31, 1999, down by \$480 million over the last 12 months.

INSURANCE FUNDS

Bank Insurance Fund (BIF)

Savings Association Insurance Fund (SAIF)

The BIF and SAIF are separate insurance funds responsible for protecting insured depositors in operating banks and thrift institutions from loss due to failure of the institution. Since 1989, an active institution's insurance fund membership and primary federal regulator have been generally determined by the institution's charter type. Deposits of BIF-member institutions are generally insured by the BIF; BIF members are predominantly commercial and savings banks supervised by the FDIC, the Office of the Comptroller of the Currency, or the Federal Reserve. Deposits of SAIF-member institutions are generally insured by the SAIF; SAIF members are predominantly thrifts supervised by the Office of Thrift Supervision.

FINANCIAL HIGHLIGHTS

<i>Dollars in Millions</i>	BIF		SAIF	
	(Unaudited) 12/31/99	12/31/98	(Unaudited) 12/31/99	12/31/98
Revenue	\$ 1,816	\$ 2,000	\$ 601	\$ 584
Operating Expenses	730	698	93	84
Insurance Losses/Expenses	1,192	(6)	31	32
Unrealized (Loss)/Gain on AFS (1)				
Securities, Net (Current Period)	(92)	11	(36)	4
Comprehensive Income	(198)	1,319	441	472
Fund Balance	\$ 29,414	\$ 29,612	\$ 10,281	\$ 9,840
December 1999/1998 Reserve Ratio (2)	1.36%	1.38%	1.45%	1.39%
December 1999/1998 Fund Balance	\$29,414	\$29,612	\$10,281	\$9,840
Estimated Insured Deposits	\$ 2,157,536 (a)	\$ 2,141,268 (b)	\$ 711,345 (a)	\$ 708,959 (b)
Total Insured Institutions	8,832 (a)	9,056 (b)	1,388 (a)	1,430 (b)
Number of Failures, YTD	7	3	1	0
Total Corporate Outlays, YTD	\$1,243	\$286	\$63	\$0
Total Estimated Corporate Losses, YTD	\$838	\$179	\$1	\$0
Total Assets at Failure (Current Year)	\$1,424	\$370	\$63	\$0
Assets in Liquidation (3)	\$1,462	\$1,324	\$10	\$0

(1) Available-for-Sale (AFS)

(2) The Reserve Ratio is equal to the fourth quarter Fund Balance divided by fourth quarter Estimated Insured Deposits.
The statutorily established Designated Reserve Ratio is 1.25%.

(3) Assets in liquidation is the total book value of the noncash assets to be liquidated.

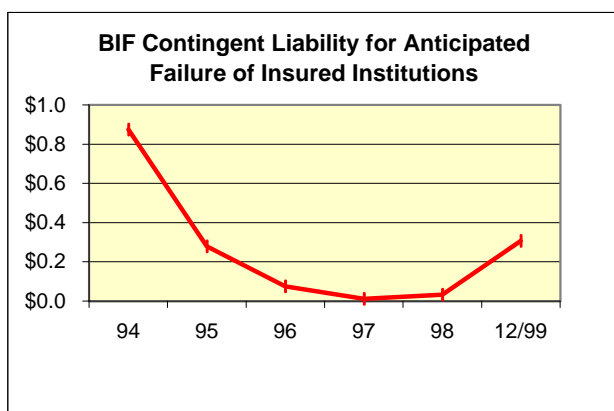
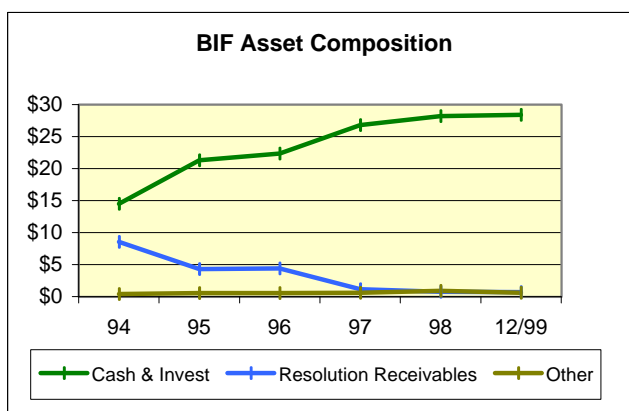
(a) Source: Fourth Quarter 1999 FDIC Quarterly Banking Profile. BIF figure includes 20 U.S. branches of foreign banks.

(b) Source: Fourth Quarter 1998 FDIC Quarterly Banking Profile. BIF figure includes 26 U.S. branches of foreign banks.

Bank Insurance Fund Statements of Financial Position December 1999

<i>Dollars in Millions</i>	(Unaudited) December 31 <u>1999</u>	December 31 <u>1998</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 164	\$ 2,118
Investment in U.S. Treasury obligations, net	28,238	26,126
Interest receivable on investments and other assets, net	467	690
Receivables from bank resolutions, net	743	748
Assets acquired from assisted banks and terminated receiverships, net	21	27
Property and buildings, net	156	143
Software development and other capitalized assets, net	104	67
Total Assets	\$ 29,893	\$ 29,919
<u>Liabilities</u>		
Accounts payable and other liabilities	\$ 149	\$ 230
<u>Contingent Liabilities for:</u>		
Anticipated failure of insured institutions	307	32
Assistance agreements	11	15
Litigation losses	10	23
Asset securitization guarantees	2	7
Total Liabilities	479	307
<u>Fund Balance</u>		
Accumulated net income	29,495	29,601
Unrealized (loss)/gain on available-for-sale securities, net	(81)	11
Total Fund Balance	29,414	29,612
Total Liabilities and Fund Balance	\$ 29,893	\$ 29,919

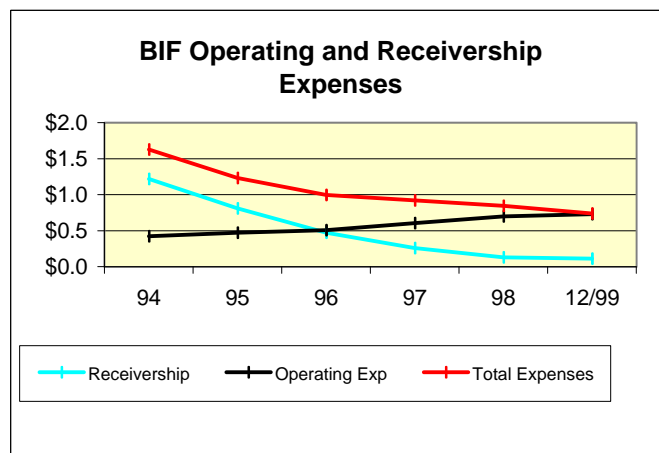
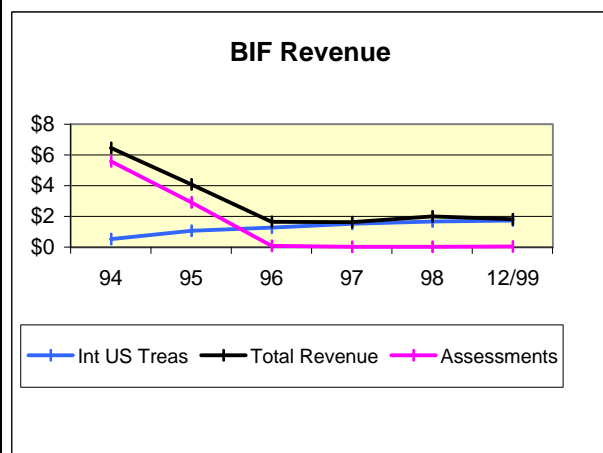
Chart Data: Dollars in Billions



Bank Insurance Fund Statements of Income and Fund Balance December 1999

Dollars in Millions

	(Unaudited) Year-to-Date:		(Unaudited) Quarter Ending December 31:	
	1999	1998	1999	1998
Revenue				
Interest on U.S. Treasury obligations	\$ 1,734	\$ 1,675	\$ 441	\$ 425
Assessments	33	22	8	6
Interest on advances and subrogated claims	21	67	2	62
Gain on conversion of benefit plan	0	200	0	200
Revenue from assets acquired from assisted banks and terminated receiverships	11	21	3	2
Other revenue	17	15	5	2
Total Revenue	1,816	2,000	459	697
Expenses and Losses				
Operating expenses	730	698	208	197
Insurance Losses/Expenses:				
Provision for insurance losses	1,169	(38)	252	(23)
Expenses for assets acquired from assisted banks and terminated receiverships	19	30	7	6
Interest and other insurance expenses	4	2	2	1
Total Expenses and Losses	1,922	692	469	181
Net Income	(106)	1,308	(10)	516
Unrealized (loss)/gain on available-for-sale securities, net (current period)	(92)	11	(75)	(5)
Comprehensive Income	(198)	1,319	(85)	511
Fund Balance - Beginning	29,612	28,293	29,499	29,101
Fund Balance - Ending	\$ 29,414	\$ 29,612	\$ 29,414	\$ 29,612

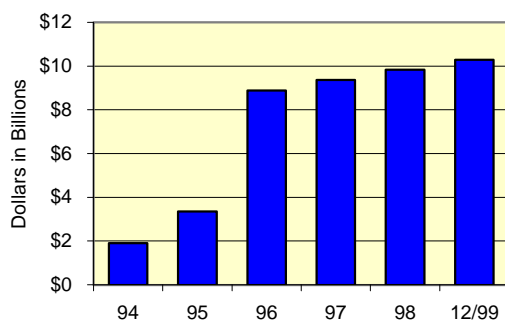
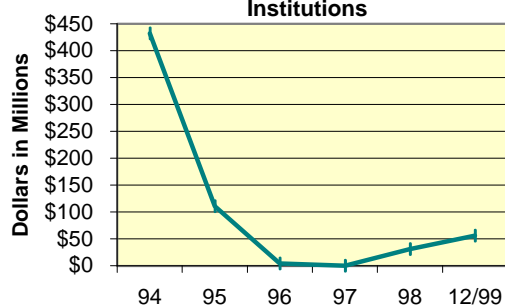
Chart Data: Dollars in Billions

Savings Association Insurance Fund Statements of Financial Position December 1999

Dollars in Millions

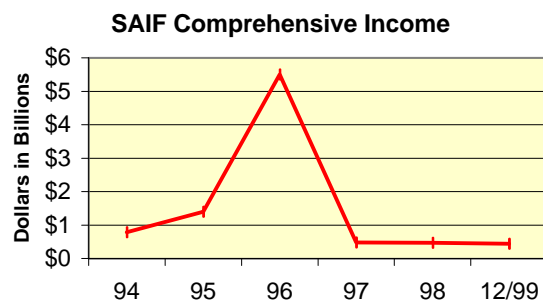
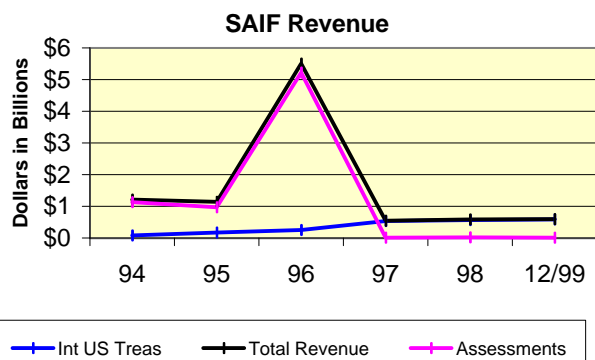
	(Unaudited) December 31 <u>1999</u>	December 31 <u>1998</u>
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 146	\$ 667
Cash and other assets - restricted for SAIF-member exit fees	268	254
Investment in U.S. Treasury obligations, net	9,980	9,062
Interest receivable on investments and other assets, net	154	140
Receivables from thrift resolutions, net	62	9
Total Assets	\$ 10,610	\$ 10,132
<u>Liabilities</u>		
Accounts payable and other liabilities	\$ 5	\$ 7
Contingent liability for anticipated failure of insured institutions	56	31
SAIF-member exit fees and investment proceeds held in escrow	268	254
Total Liabilities	329	292
<u>Fund Balance</u>		
Accumulated net income	10,313	9,836
Unrealized (loss)/gain on available-for-sale securities, net	(32)	4
Total Fund Balance	10,281	9,840
Total Liabilities and Fund Balance	\$ 10,610	\$ 10,132

SAIF Total Fund Balance

SAIF Contingent
Liability for Anticipated Failure of Insured
Institutions

Savings Association Insurance Fund Statements of Income and Fund Balance December 1999

<i>Dollars in Millions</i>	(Unaudited) Year-to-Date:		(Unaudited) Quarter Ending December 31:	
	1999	1998	1999	1998
Revenue				
Interest on U.S. Treasury obligations	\$ 586	\$ 563	\$ 154	\$ 142
Assessments	15	15	5	5
Gain on conversion of benefit plan	0	6	0	6
Other revenue	0	0	0	0
Total Revenue	601	584	159	153
Expenses and Losses				
Operating expenses	93	84	28	22
Provision for insurance losses	31	32	25	20
Other expenses	0	0	0	0
Total Expenses and Losses	124	116	53	42
Net Income	477	468	106	111
Unrealized (loss)/gain on available-for-sale securities, net (current period)	(36)	4	(30)	(2)
Comprehensive Income	441	472	76	109
Fund Balance - Beginning	9,840	9,368	10,205	9,731
Fund Balance - Ending	\$ 10,281	\$ 9,840	\$ 10,281	\$ 9,840



RESOLUTION FUND

FSLIC Resolution Fund (FRF)

The FRF is a FDIC-managed resolution fund that was originally created to wind up the affairs of the former Federal Savings and Loan Insurance Corporation (FSLIC). It is also responsible for liquidating the assets and liabilities that were transferred from the former Resolution Trust Corporation (RTC) in 1996. Statutorily, the FRF is reported as one fund; for management reporting and operational purposes, the FRF is split into its FSLIC and RTC components and accounted for separately. The assets of one component are not available to satisfy the obligations of the other.

The FRF will continue to operate until all of its assets are sold or otherwise liquidated and all of its liabilities are satisfied.

FRF-FSLIC

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) abolished the insolvent FSLIC, created the FRF, and transferred the assets and liabilities of the FSLIC to the FRF or RTC, effective August 9, 1989. Upon dissolution of this component of the FRF, any funds remaining will be transferred to the U.S. Treasury.

FRF-RTC

The RTC was created to manage and resolve all thrifts previously insured by the FSLIC for which a conservator or receiver was appointed on January 1, 1989, or later. Resolution responsibility transferred from the RTC to the SAIF on July 1, 1995, and the RTC was terminated as of December 31, 1995. All remaining assets and liabilities of the RTC were transferred to the FRF on January 1, 1996. Upon dissolution of this component of the FRF, any funds remaining will be transferred to the U.S. Treasury or the Resolution Funding Corporation, as appropriate.

FSLIC Resolution Fund

Statements of Cash Flows and Selected Statistics

December 1999

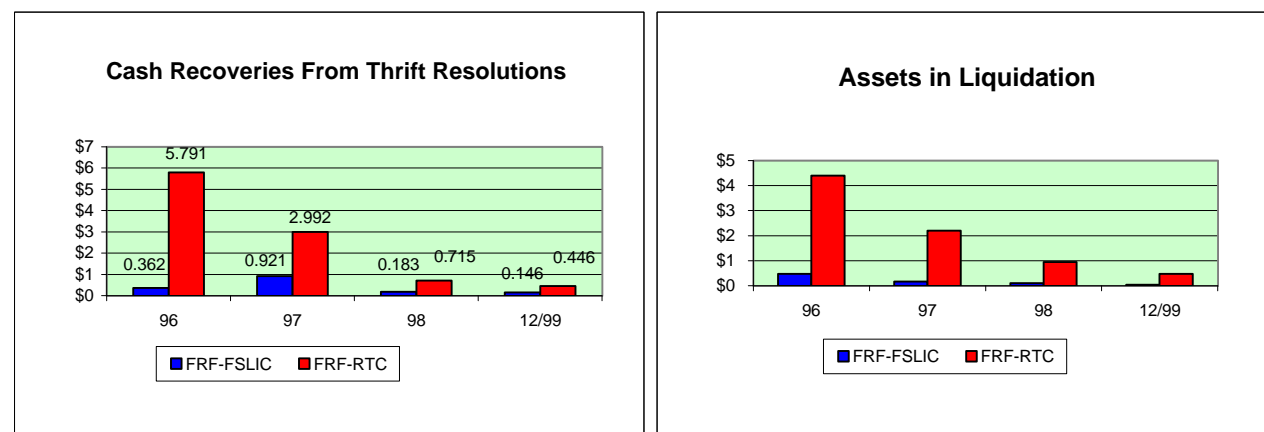
Dollars in Millions

	FRF - FSLIC (Unaudited) Year-to-Date:		FRF - RTC (Unaudited) Year-to-Date:		FRF - CONSOLIDATED (Unaudited) Year-to-Date:	
	1999	1998	1999	1998	1999	1998
Cash Flows						
Cash Flows From Operating Activities:						
Cash Provided From Operating Activities	\$308	\$368	\$724	\$1,113	\$1,032	\$1,481
Cash Used for Operating Activities	(105)	(192)	(196)	(275)	(301)	(467)
Net Cash Provided by Operating Activities	203	176	528	838	731	1,014
Cash Flows From Investing Activities:						
Investment in Securitization Related Assets						
Acquired from Receiverships, AFS (1)	0	0	1,753	2,384	1,753	2,384
Cash Flows From Financing Activities:						
U.S. Treasury Payments for Goodwill Settlements	1	0	0	0	1	0
Return of U.S. Treasury Payments (2)	0	0	(4,168)	(3)	(4,168)	(3)
Repayments of Federal Financing Bank						
Borrowings	0	0	0	(839)	0	(839)
Repayments of Indebtedness From						
Thrift Resolutions	0	(32)	0	0	0	(32)
Net Increase (Decrease) in Cash	\$204	\$144	(\$1,887)	\$2,380	(\$1,683)	\$2,524
Selected Statistics						
Resolution Equity (2)	\$2,227	\$2,098	\$4,428	\$8,313	\$6,655	\$10,411
Number of Active Receiverships	10	26	227	388	237	414
Number of Other Liquidating Entities	25	57	17	18	42	75
Assets in Liquidation (3)	\$42	\$105	\$467	\$947	\$509	\$1,052

(1) Available-for-Sale (AFS)

(2) Includes \$4.165 billion that was repaid to the U.S. Treasury by FRF-RTC during 1999, in compliance with the RTC Completion Act.

(3) Assets in liquidation is the total book value of the noncash assets to be liquidated.

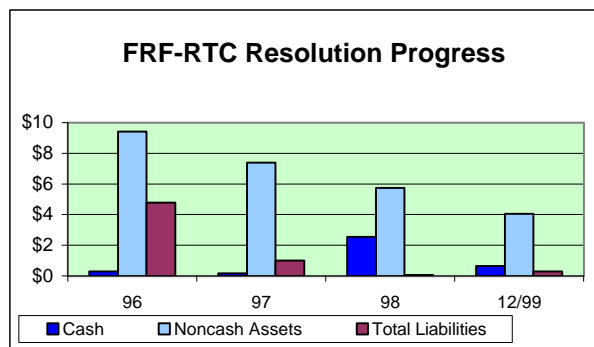
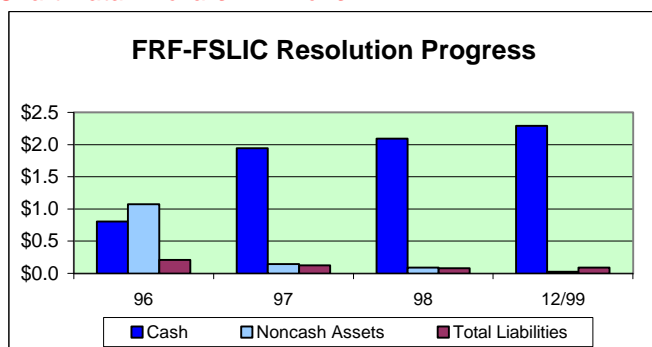
Chart Data: Dollars in Billions

FSLIC Resolution Fund Statements of Financial Position December 1999

<i>Dollars in Millions</i>	FRF - FSLIC (Unaudited) December 31		FRF - RTC (Unaudited) December 31		FRF - CONSOLIDATED (Unaudited) December 31	
	1999	1998	1999	1998	1999	1998
Assets						
Cash and cash equivalents (1)	\$ 2,293	\$ 2,089	\$ 655	\$ 2,542	\$ 2,948	\$ 4,631
Receivables from thrift resolutions, net	14	41	1,352	1,475	1,366	1,516
Investment in securitization related assets acquired from receiverships	0	0	2,675	4,424	2,675	4,424
Assets acquired from assisted thrifts and terminated receiverships, net	10	36	25	28	35	64
Other assets, net	0	12	7	29	7	41
Total Assets	\$ 2,317	\$ 2,178	\$ 4,714	\$ 8,498	\$ 7,031	\$ 10,676
Liabilities and Resolution Equity						
Liabilities						
Accounts payable and other liabilities	\$ 18	\$ 9	\$ 56	\$ 31	\$ 74	\$ 40
Liabilities from thrift resolutions	67	66	229	136	296	202
Contingent liabilities for:						
Assistance agreements	5	5	0	0	5	5
Litigation losses	0	0	1	18	1	18
Total Liabilities	90	80	286	185	376	265
Resolution Equity						
Contributed capital (1)	44,157	44,156	87,172	91,335	131,329	135,491
Accumulated deficit	(41,930)	(42,058)	(82,984)	(83,263)	(124,914)	(125,321)
Unrealized gain on available-for-sale securities, net	0	0	240	241	240	241
Accumulated deficit, net	(41,930)	(42,058)	(82,744)	(83,022)	(124,674)	(125,080)
Total Resolution Equity	2,227	2,098	4,428	8,313	6,655	10,411
Total Liabilities and Resolution Equity	\$ 2,317	\$ 2,178	\$ 4,714	\$ 8,498	\$ 7,031	\$ 10,676

(1) Cash and Contributed Capital decreased \$4.168 billion due to repayments to the U.S. Treasury during 1999.

Chart Data: Dollars in Billions



FSLIC Resolution Fund

Statements of Income and Accumulated Deficit

December 1999

Dollars in Millions

	FRF - FSLIC (Unaudited) Year-to-Date:		FRF - RTC (Unaudited) Year-to-Date:		FRF- CONSOLIDATED (Unaudited) Year-to-Date:	
	1999	1998	1999	1998	1999	1998
Revenue						
Interest on securitization related assets acquired from receiverships	\$ 0	\$ 0	\$ 104	\$ 263	\$ 104	\$ 263
Interest on U.S. Treasury obligations	108	109	0	0	108	109
Interest on advances and subrogated claims	0	0	19	212	19	212
Revenue from assets acquired from assisted thrifts and terminated receiverships	8	21	17	19	25	40
Realized gain on investment in securitization related assets acquired from receiverships	0	0	93	50	93	50
Limited partnership equity interests and other revenue	3	9	21	59	24	68
Total Revenue	119	139	254	603	373	742
Expenses and Losses						
Operating expenses	7	7	77	50	84	57
Realized loss on investment in securitization related assets acquired from receiverships	0	0	58	4	58	4
Provision for losses	(109)	(177)	(170)	(999)	(279)	(1,176)
Expenses for goodwill settlements and litigation	81	154	0	0	81	154
Expenses for assets acquired from assisted thrifts and terminated receiverships	7	11	9	9	16	20
Interest expense on notes payable and other expenses	5	8	1	18	6	26
Total Expenses and Losses	(9)	3	(25)	(918)	(34)	(915)
Net Income	128	136	279	1,521	407	1,657
Unrealized (loss)/gain on available-for-sale securities, net (current period)	0	0	(1)	200	(1)	200
Comprehensive Income	128	136	278	1,721	406	1,857
Accumulated Deficit - Beginning	(42,058)	(42,194)	(83,022)	(84,743)	(125,080)	(126,937)
Accumulated Deficit - Ending	\$ (41,930)	\$ (42,058)	\$ (82,744)	\$ (83,022)	\$ (124,674)	\$ (125,080)

Chart Data: Dollars in Billions